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2009  
Supplement

# SPECIAL REPORT

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**NOTICE OF WAYS AND MEANS MOTION  
RE: REMAINING 2009 BUDGET MEASURES**

September 14, 2009



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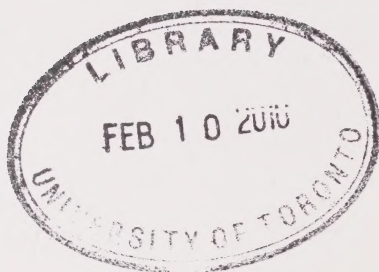
# NOTICE OF WAYS AND MEANS MOTION RE: REMAINING 2009 BUDGET MEASURES

September 14, 2009



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# **Government of Canada Moves to Implement Home Renovation Tax Credit and Other Outstanding Measures**

**September 14, 2009 — 2009-085**

The Honourable Jim Flaherty, Minister of Finance, today tabled in the House of Commons a detailed Notice of Ways and Means Motion to implement the Home Renovation Tax Credit as well as other measures, several of which are outstanding from Budget 2009.

“These measures are important to sustaining Canada’s economic recovery,” said Minister Flaherty. “For example, the Home Renovation Tax Credit is encouraging millions of Canadians to invest in the long-term value of their homes, and has increased the demand for labour, building materials and other goods and services — creating jobs and stimulating our economy. It is important that these measures be implemented quickly.”

In addition to the Home Renovation Tax Credit, the Motion:


- Implements the First-Time Home Buyers’ Tax Credit.
- Enhances the benefits provided under the Working Income Tax Benefit.
- Extends the existing tax deferral available to farmers in prescribed drought regions to farmers who dispose of breeding livestock because of flood or excessive moisture, and describes the regions prescribed either as eligible flood or drought regions from 2007 to 2009.
- Amends the *Customs Tariff* to relax the conditions relating to temporarily imported shipping containers.

More information on these and other measures can be obtained by visiting the Department of Finance website or by phoning 1-800-O-Canada (1-800-622-6232) or 1-800-926-9105 (TTY for the speech and hearing impaired/deaf).

For further information, media may contact:

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## **Explanatory Notes to Legislative Proposals Relating to Income Tax**

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Published by  
The Honourable James M. Flaherty, P.C., M.P.  
Minister of Finance

September 2009

Canada

### **Preface**

These explanatory notes are provided to assist in an understanding of proposed amendments to the *Income Tax Act* and *Income Tax Regulations*. These notes describe proposed amendments, clause by clause, for the assistance of Members of Parliament, taxpayers and their professional advisors.

The Honourable Jim Flaherty, P.C., M.P.,  
Minister of Finance

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These notes are intended for information purposes only and should not be construed as an official interpretation of the provisions they describe.

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## Amendments Related to the Income Tax Act

### Clause 2

#### Income deferrals – livestock

ITA

80.3

Section 80.3 of the *Income Tax Act* (the “Act”) provides for a tax deferral in respect of the proceeds of sales by farmers of breeding herds of grazing livestock due to drought conditions. It provides that the income of a taxpayer for a year that is deferred pursuant to that section is to be included in the taxpayer's income in the earlier of the taxation year in which the taxpayer dies or the taxation year following a drought year, or series of consecutive drought years, as the case may be.

Section 80.3 is amended to extend the existing rules in order to permit farmers, who dispose of such breeding livestock in a taxation year because of flood or excessive moisture conditions, to exclude a portion of the sale proceeds from their incomes until the following taxation year.

As with the existing rules applicable in respect of prescribed drought regions, the tax deferral will apply to unusually heavy sales and, therefore, the amount deferred will increase with increasing levels of sales. The deferral will apply to proceeds from sales of grazing livestock where such sales result in a reduction of 15 per cent or more of the number of animals in a farmer's breeding herd. For sales which result in a reduction of 15 per cent or more, but less than 30 per cent of the breeding herd, 30 per cent of the proceeds will be eligible for the deferral, while 90 per cent of the proceeds will be eligible for the deferral in respect of sales of 30 per cent or more of the animals in the herd.

### Clause 3

#### Home Renovation Tax Credit

ITA

108(1.1)

Subsection 108(1) of the Act defines a testamentary trust as being a trust that arises on and as a consequence of the death of an individual, except where certain events occur that cause the trust to be re-characterized as an *inter-vivos* trust. One of these exceptions is where a contribution is made to an otherwise testamentary trust. New subsection 108(1.1) of the Act provides that a “qualifying expenditure” (as defined by new subsection 118.04(1) of the Act for the purposes of the Home Renovation Tax Credit), made by a beneficiary of a testamentary trust in respect of a home renovation will not be considered a contribution to the trust.

For more information about the definition “qualifying expenditure”, please refer to the notes for new subsection 118.04(1).

This amendment applies to the 2009 and subsequent taxation years.

## Clause 4

### Home Renovation Tax Credit

ITA

118.04

New section 118.04 of the Act introduces the Home Renovation Tax Credit and provides for a non-refundable tax credit in respect of qualifying expenditures directly attributable to qualifying renovations made to an eligible dwelling by an individual. The credit is available for the 2009 taxation year.

### Definitions

ITA

118.04(1)

New subsection 118.04(1) of the Act sets out definitions that apply for the purpose of the Home Renovation Tax Credit.

#### **“eligible dwelling”**

An “eligible dwelling” of an individual generally means a housing unit located in Canada where the individual owns, whether jointly with another person or otherwise,

- (a) the housing unit; or
- (b) a share of the capital stock of a co-operative housing corporation that was acquired for the sole purpose of acquiring the right to inhabit the housing unit, that is owned by the corporation.

A trust under which the individual is a beneficiary may also own the housing unit, or the share of the capital stock of a co-operative housing corporation, as the case may be.

To qualify for the Home Renovation Tax Credit, the housing unit must be ordinarily inhabited at any time during the “eligible period” by

- the individual,
- the individual’s spouse or common-law partner,
- the individual’s former spouse or common-law partner, or
- a child of the individual.

An eligible dwelling includes the land subjacent to the housing unit and up to 1/2 hectare of contiguous land (or such greater area of land that the individual establishes is necessary for the use and enjoyment of the housing unit as a residence).

#### **“eligible period”**

The “eligible period” means the period that begins on January 28, 2009 and that ends on January 31, 2010.

#### **“individual”**

For the purposes of the rules relating to the Home Renovation Tax Credit, an “individual” does not include a trust.



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### **“qualifying expenditure”**

A “qualifying expenditure” of an individual means an outlay or expense that is made or incurred during the eligible period by an individual, or by a qualifying relation in respect of the individual, that is directly attributable to a qualifying renovation of the individual. However, this does not include an outlay or expense made or incurred under the terms of an agreement entered into before January 28, 2009.

A qualifying expenditure includes the cost of permits required for the qualifying renovation, as well outlays or expenses for the rental of equipment used in the course of the qualifying renovation.

Certain expenditures do not qualify for the Home Renovation Tax Credit under this definition. These include expenditures

- (a) for the acquisition of goods that have been previously used, or acquired for use or lease, for any purpose whatever by the individual or a qualifying relation in respect of the individual;
- (b) to acquire a property that can be used independently of the qualifying renovation;
- (c) for annual, recurring or routine repairs or maintenance;
- (d) to acquire a household appliance or electronic home-entertainment device;
- (e) that are financing costs;
- (f) incurred for the purpose of gaining or producing income from a business or property; and
- (g) for goods or services provided by a person not dealing at arm’s length with the individual, unless that person is registered for the purposes of the Goods and Services Tax.

In this regard, furnaces and other heating systems are not considered to be household appliances.

### **“qualifying relation”**

A “qualifying relation” in respect of an individual means a person who is

- the individual’s spouse or common-law partner, or
- a child of the individual who has not attained the age of 18 years before the end of 2009 (other than a child who was, at any time during the eligible period, a married person, a person who is in a common-law partnership or a person who has a child).

### **“qualifying renovation”**

A “qualifying renovation” of an individual means a renovation or alteration of an eligible dwelling of the individual or of a qualifying relation in respect of the individual. The renovation or alteration must be of an enduring nature and be integral to the eligible dwelling.

**Rules of application**

ITA  
118.04(2)

New subsection 118.04(2) of the Act sets out certain rules that apply for the purpose of the Home Renovation Tax Credit.

New paragraph 118.04(2)(a) provides for cases where an eligible dwelling of an individual is owned by a co-operative housing corporation, a condominium corporation or a similar entity (the "corporation"), instead of being owned by the individual directly. In these circumstances, the individual's share of a qualifying expenditure of the corporation is considered to be a qualifying expenditure of the individual. The corporation must notify the individual, in writing, of the individual's share of the expenditure.

New paragraph 118.04(2)(b) provides for a similar rule with respect to trusts, where an eligible dwelling of an individual is owned by a trust instead of by the individual directly.

This paragraph ensures that an outlay or expense made or incurred by a trust may qualify as a qualifying expenditure of an individual, if the outlay or expense would have been a qualifying expenditure of the trust if the trust were a natural person. The trust must notify the individual, in writing, of the individual's share of the outlay or expense.

**Home Renovation Tax Credit**

ITA  
118.04(3)

New subsection 118.04(3) of the Act provides for the calculation of a non-refundable Home Renovation Tax Credit for the 2009 taxation year. The credit is determined as 15% of the portion of qualifying expenditures in excess of a base amount of \$1,000 to a cap of \$10,000.

**Interaction with the Medical Expense Tax Credit**

ITA  
118.04(4)

New subsection 118.04(4) of the Act provides that, notwithstanding paragraph 248(28)(b) of the Act, an outlay or expense made or incurred by an individual may qualify for both the Home Renovation Tax Credit, under section 118.04 of the Act, and for the Medical Expense Tax Credit, under section 118.2 of the Act, if that outlay or expense would otherwise qualify for the purposes of those credits.

**Apportionment of credit**

ITA  
118.04(5)

New subsection 118.04(5) of the Act provides that, where more than one individual is entitled to the Home Renovation Tax Credit in respect of a qualifying expenditure of an individual, the total amounts claimed by those individuals cannot exceed the maximum amount that would be allowed if only one individual were claiming the Home Renovation Tax Credit. If the individuals cannot agree as to the amount each may claim, the Minister of National Revenue may fix the portions.

## First-Time Home Buyers' Tax Credit

ITA  
118.05

New section 118.05 of the Act provides to first-time home buyers a \$750 non-refundable tax credit in respect of qualifying homes acquired after January 27, 2009. This credit is also available to individuals who purchase a home after that date for the benefit of a related individual who is eligible for the Disability Tax Credit. Generally, a home that qualifies for the Home Buyers' Plan under section 146.01 of the Act will also qualify for the purposes of the First-Time Home Buyers' Tax Credit.

These amendments apply to the 2009 and subsequent taxation years.

### Definitions

ITA  
118.05(1)

New subsection 118.05(1) of the Act sets out certain definitions that apply for the purpose of the First-Time Home Buyers' Tax Credit.

#### **“qualifying home”**

A “qualifying home” in respect of an individual is defined as a housing unit located in Canada that was acquired (whether jointly or otherwise) after January 27, 2009. It also includes a share of a capital stock of a cooperative housing corporation, where the holder of the share is entitled to possession of a housing unit located in Canada.

Paragraph (a) of the definition sets out the conditions for a home to be a “qualifying home” in respect of an individual, where the home is acquired for the benefit of that individual. In this regard, the home must be acquired by the individual or by the individual's spouse or common-law partner. The individual must intend to inhabit the home as a principal place of residence not later than one year after its acquisition. As well, the individual must be a first-time home buyer. An individual is considered to be a first-time home buyer for this purpose if, during the 4 calendar years preceding the year of acquisition, neither the individual, nor the individual's spouse or common-law partner, owned a home that was occupied, generally, by the individual or the individual's spouse or common-law partner.

Paragraph (b) of the definition, on the other hand, sets out the conditions for a home to be a “qualifying home” in respect of an individual, where the home is acquired by the individual for the benefit of a related individual who is eligible for the Disability Tax Credit. The home must be acquired by the individual for the benefit of a “specified person” in respect of the individual. The individual must also intend that the home be inhabited by the specified person as a principal place of residence not later than one year after its acquisition by the individual. The purpose of the acquisition of the home by the individual must be to enable the specified person to live in

- a home that is more accessible by specified person, or in which the specified person is more mobile or functional, or
- an environment better suited to the specified person's personal needs and care.

#### **“specified person”**

A “specified person” in respect of an individual is a person who is the individual (or who is related to the individual), where the person is entitled to the Disability Tax Credit under subsection 118.3(1) of the Act or would be so entitled if the restriction in that subsection with respect to attendant care were ignored.

**Rules of application**

ITA  
118.05(2)

New subsection 118.05(2) of the Act sets out rules that apply for the purpose of the First-Time Home Buyers' Tax Credit. Subsection 118.05(2) provides that an individual is considered to have acquired a qualifying home only if the individual's interest in the home is registered in accordance with the land registration or other similar system applicable in the province where it is located.

**First-Time Home Buyers' Tax Credit**

ITA  
118.05(3)

New subsection 118.05(3) of the Act provides for the calculation of the non-refundable First-Time Home Buyers' Tax Credit for the taxation year in which a qualifying home in respect of the individual is acquired. For the 2009, the credit is \$750 (determined by applying the appropriate percentage for the taxation year to \$5,000).

**Apportionment of credit**

ITA  
118.05(4)

New subsection 118.05(4) of the Act provides that, where more than one individual is entitled to the First-Time Home Buyers' Tax Credit in respect of a particular qualifying home, the total amounts claimed by those individuals cannot exceed the maximum amount that would be allowed if only one individual were claiming the First-Time Home Buyers' Tax Credit. If the individuals cannot agree as to what amount each may claim, the Minister of National Revenue may fix the portions.

**Clause 5****Dependant having impairment**

ITA  
118.3(2)

Subsection 118.3(2) of the Act provides criteria for determining the entitlement of a supporting individual of a disabled person to claim that person's unused disability tax credit. The French version of subsection 118.3(2) and the English version of paragraph 118.3(2)(d) are amended to include a reference to sections 118.01 to 118.05, consequential to the introduction of the Home Renovation Tax Credit and the First-Time Home Buyers' Tax Credit.

This amendment applies to the 2009 and subsequent taxation years.

**Clause 6****Unused tuition, textbook and education tax credits**

ITA  
118.61(1) and (2)

Subsection 118.61(1) of the Act provides a formula for the calculation of a student's unused tuition and education tax credits that may be carried forward to future taxation years. Variable C of the formula requires that any unused tuition, textbook and education tax credits be claimed in advance of certain personal credits. Subsection 118.61(2) of the Act determines the amount of the carry-forward of unused tuition and education tax credits that can be claimed in the current year.



Variable C in subsection 118.61(1) and paragraph 118.61(2)(b) are amended consequential to the introduction of the Home Renovation Tax Credit and the First-Time Home Buyers' Tax Credit in sections 118.04 and 118.05 of the Act respectively.

These amendments apply to the 2009 and subsequent taxation years.

## **Clause 7**

### **Transfer of unused credits to spouse or common-law partner**

ITA  
118.8

Subsection 118.8 of the Act provides a formula that governs the amount of certain unused personal income tax credits that can be transferred to a taxpayer from a spouse or common-law partner. Paragraphs (a) and (b) of the description of variable C are amended consequential to the introduction of the Home Renovation Tax Credit and the First-Time Home Buyers' Tax Credit. Paragraph (a) is also amended to add a reference to subsection 118(10), such that the availability of the Canada Employment Credit to the spouse or common-law partner does not reduce the amount of these unused personal income tax credits that may be transferred to the taxpayer.

These amendments apply to the 2009 and subsequent taxation years.

## **Clause 8**

### **Tuition, textbook and education tax credits transferred**

ITA  
118.81

Section 118.81 of the Act provides for the calculation of the amount of tuition and education tax credits that may be transferred by a student to the student's spouse or common law partner or to a parent or grandparent. The description of B in paragraph 118.81(a) is amended consequential to the introduction of the Home Renovation Tax Credit and the First-Time Home Buyers' Tax Credit.

This amendment applies to the 2009 and subsequent taxation years.

## **Clause 9**

### **Part-year residents**

ITA  
118.91

Section 118.91 of the Act provides rules with respect to non-refundable tax credits available to individuals who reside in Canada for a part only of a taxation year. Paragraph 118.91(b) is amended to add references to subsection 118(10) and to sections 118.01 to 118.05 and 118.3. This amendment is consequential to the introduction of various personal tax credits. The paragraph is also rewritten to improve clarity.

This amendment applies to the 2009 and subsequent taxation years.

**Clause 10****Ordering of credits**

ITA

118.92

Section 118.92 of the Act provides that the tax credits allowed in computing an individual's tax payable for a taxation year are to be applied in a specific order. This section is amended to add references to new sections 118.04 (the Home Renovation Tax Credit) and 118.05 (the First-Time Home Buyers' Tax Credit).

This amendment applies to the 2009 and subsequent taxation years.

**Clause 11****Tax payable by non-residents (credits restricted)**

ITA

118.94

Section 118.94 of the Act provides rules with respect to non-refundable tax credits available to individuals who did not reside in Canada at any time in a taxation year. Subject to a special rule in section 217, such individuals are allowed to claim certain non-refundable credits for a taxation year only where all or substantially all of their income for the taxation year is included in computing their taxable income in Canada. This section is amended to add references to new sections 118.04 (the Home Renovation Tax Credit) and 118.05 (the First-Time Home Buyers' Tax Credit).

This amendment applies to the 2009 and subsequent taxation years.

**Clause 12****Credits in year of bankruptcy**

ITA

118.95

Section 118.95 of the Act governs the rules applicable to credits in the year of bankruptcy. Paragraph 118.95(a) is amended to add references to new sections 118.04 (the Home Renovation Tax Credit) and 118.05 (the First-Time Home Buyers' Tax Credit). Paragraph 118.95(b) is amended to add a reference to subsection 118(10).

These amendments apply to the 2009 and subsequent taxation years.

**Clause 13****Working Income Tax Benefit**

ITA

122.7

Section 122.7 of the Act provides to low-income individuals and families, who have earnings from employment or business, the Working Income Tax Benefit ("WITB").



The amounts in the descriptions of A and B in subsection 122.7(2) are amended so that the WITB provides a refundable tax credit equal to 25% (up from 20%) of each dollar earned in excess of \$3,000, to a maximum credit of \$925 (up from the indexed amount for 2009 of \$522) for single individuals and \$1,680 (up from the indexed amount for 2009 of \$1,044) for families. The WITB is reduced by 15% of net income in excess of \$10,500 (up from the indexed amount for 2009 of \$9,923) for single individuals and \$14,500 (down from the indexed amount for 2009 of \$15,145) for families.

The amounts in the description of C and D in subsection 122.7(3) are amended so that the WITB disability supplement provides a refundable credit equal to 25% (up from 20%) of each dollar earned in excess of \$1,150 (down from the indexed amount for 2009 of \$1,750), to a maximum credit of \$426.50 (up from the indexed amount for 2009 of \$261). The disability supplement is reduced by 15% of net income in excess of \$16,667 (up from the indexed amount for 2009 of \$13,404) for single individuals and \$25,700 (up from the indexed amount for 2009 of \$22,108) for families.

The WITB maximum benefit levels and thresholds continue to be indexed to inflation on an annual basis.

These amendments apply to the 2009 and subsequent taxation years.

#### **Clause 14**

##### **Basic minimum tax credit determined**

ITA

127.531(a)

Section 127.531 of the Act permits an individual to claim a deduction in computing the alternative minimum tax for most non-refundable personal tax credits. Paragraph 127.531(a) is amended to add references to new sections 118.04 (the Home Renovation Tax Credit) and 118.05 (the First-Time Home Buyers' Tax Credit).

This amendment applies to the 2009 and subsequent taxation years.

#### **Clause 15**

##### **Where individual bankrupt**

ITA

128(2)(e)(iii)(A)

Subsection 128(2) of the Act contains a number of special rules that apply in cases of personal bankruptcy. Clause 128(2)(e)(iii)(A) is amended to add references to new sections 118.04 (the Home Renovation Tax Credit) and 118.05 (the First-Time Home Buyers' Tax Credit).

This amendment applies to the 2009 and subsequent taxation years.

## **Income Tax Regulations**

### **Clause 16**

#### **Income deferrals – livestock**

ITR

7305

Section 80.3 of the Act permits farmers who dispose of breeding livestock because of drought conditions existing in a prescribed drought region in a year to exclude a portion of the sale proceeds from their taxable income until the first following year that is not a drought or flood or excessive moisture year. As a result, the full amount of the proceeds eligible for the deferral will be available to replenish their breeding livestock at that time.

Prescribed drought regions are those regions of Canada that are prescribed, on the advice of the Minister of Agriculture and Agri-Food and on the recommendation of the Minister of Finance, as suffering from drought conditions during a year. Section 7305 of the Regulations is amended by adding the prescribed regions that are eligible drought regions in 2007, 2008 and 2009.

### **Clause 17**

#### **Income deferrals – livestock**

ITR

7305.02

Amended section 80.3 of the Act permits farmers who dispose of breeding livestock because of flood or excessive moisture conditions existing in a prescribed region in a year to exclude a portion of the sale proceeds from their taxable income until the first following year that is not a drought or flood or excessive moisture year. As a result, the full amount of the proceeds eligible for the deferral will be available to replenish their breeding livestock at that time.

Prescribed regions of flood or excessive moisture are those regions of Canada that are designated, on the advice of the Minister of Agriculture and Agri-Food and on the recommendation of the Minister of Finance, as suffering from flood or excessive moisture conditions during a year. The Regulations are amended by adding section 7305.02, which prescribes regions that are eligible regions of flood or excessive moisture in 2008 and 2009.

**Notice of Ways and Means Motion to implement  
certain provisions of the budget tabled in  
Parliament on January 27, 2009 and to  
implement other measures**

MINISTER OF FINANCE



**Notice of Ways and Means Motion to  
implement certain provisions of the  
budget tabled in Parliament on January  
27, 2009 and to implement other  
measures**

That it is expedient to implement certain provisions of the budget tabled in Parliament on January 27, 2009 and to implement other measures as follows:

**SHORT TITLE**

Short title

**1.** This Act may be cited as the *Budget Implementation Act, 2009, No. 2*.

**PART 1**

**AMENDMENTS RELATED TO INCOME  
TAX**

R.S., c. 1 (5th  
Supp.)

**INCOME TAX ACT**

**2. (1) The portion of subsection 80.3(4) of the *Income Tax Act* before the formula is replaced by the following:**

Income deferral  
for regions of  
drought, flood or  
excessive  
moisture

(4) If in a taxation year a taxpayer carries on a farming business in a region that is at any time in the year a prescribed drought region or a prescribed region of flood or excessive moisture and the taxpayer's breeding herd at the end of the year in respect of the business does not exceed 85% of the taxpayer's breeding herd at the beginning of the year in respect of the business, there may be deducted in computing the taxpayer's income from the business for the year the amount that the taxpayer claims, not exceeding the amount, if any, determined by the formula

**(2) The portion of subsection 80.3(5) of the Act before paragraph (b) is replaced by the following:**

Inclusion of  
deferred amount

(5) The amount deducted under subsection (4) in computing the income of a taxpayer for a particular taxation year from a farming business carried on in a region prescribed under that subsection may, to the extent that the taxpayer so elects, be included in computing the taxpayer's income from the business for a taxation year end-

ing after the particular taxation year, and is, except to the extent that the amount has been included under this subsection in computing the taxpayer's income from the business for a preceding taxation year after the particular year, deemed to be income of the taxpayer from the business for the taxation year of the taxpayer that is the earliest of

- (a) the first taxation year beginning after the end of the period or series of continuous periods, as the case may be, for which the region is prescribed under that subsection,

**(3) Subsections (1) and (2) apply to the 2008 and subsequent taxation years.**

**3. (1) Section 108 of the Act is amended by adding the following after subsection (1):**

Home  
renovation tax  
credit

(1.1) For the purpose of the definition "testamentary trust" in subsection (1), a contribution to a trust does not include a qualifying expenditure (within the meaning of section 118.04) of a beneficiary under the trust.

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**4. (1) The Act is amended by adding the following after section 118.03:**

Definitions

**118.04 (1)** The following definitions apply in this section.

"eligible  
dwelling"  
« logement  
admissible »

"eligible dwelling" of an individual, at any time, means a housing unit (including the land subjacent to the housing unit and the immediately contiguous land, but not including the portion of such land that exceeds the greater of 1/2 hectare and the portion of such land that the individual establishes is necessary for the use and enjoyment of the housing unit as a residence) located in Canada if

- (a) the individual (or a trust under which the individual is a beneficiary) owns, whether jointly with another person or otherwise, at that time, the housing unit or a share of the



	capital stock of a co-operative housing corporation acquired for the sole purpose of acquiring the right to inhabit the housing unit owned by the corporation; and
	(b) the housing unit is ordinarily inhabited at any time during the eligible period by the individual, by the individual's spouse or common-law partner or former spouse or common-law partner or by a child of the individual.
"eligible period" « période d'admissibilité »	"eligible period" means the period that begins on January 28, 2009 and that ends on January 31, 2010.
"individual" « particulier »	"individual" does not include a trust.
"qualifying expenditure" « dépense admissible »	<p>"qualifying expenditure" of an individual means an outlay or expense that is made or incurred, by the individual or by a qualifying relation in respect of the individual during the eligible period, that is directly attributable to a qualifying renovation by the individual and that is the cost of goods acquired or services received during the eligible period and includes such an outlay or expense for permits required for, or for the rental of equipment used in the course of, the qualifying renovation, but does not include such an outlay or expense</p> <p>(a) to acquire goods that have been used, or acquired for use or lease, by the individual or by a qualifying relation in respect of the individual, for any purpose whatever before they were acquired by the individual or the qualifying relation in respect of the individual;</p> <p>(b) made or incurred under the terms of an agreement entered into before the eligible period;</p> <p>(c) to acquire a property that can be used independently of the qualifying renovation;</p> <p>(d) that is the cost of annual, recurring or routine repair or maintenance;</p> <p>(e) to acquire a household appliance;</p> <p>(f) to acquire an electronic home-entertainment device;</p> <p>(g) for financing costs in respect of the qualifying renovation;</p>

“qualifying  
relation”  
« *proche  
admissible* »

“qualifying  
renovation”  
« *travaux de  
rénovation  
admissibles* »

Rules of  
application

(h) made or incurred for the purpose of gaining or producing income from a business or property; or

(i) in respect of goods or services provided by a person not dealing at arm's length with the individual, unless the person is registered for the purposes of Part IX of the *Excise Tax Act*.

“qualifying relation” in respect of an individual means a person who is the individual's spouse or common-law partner, or a child of the individual who has not attained the age of 18 years before the end of 2009 (other than a child who was, at any time during the eligible period, a married person, a person who is in a common-law partnership or a person who has a child).

“qualifying renovation” by an individual, at any time, means a renovation or alteration, of a property that is at that time an eligible dwelling of the individual or of a qualifying relation in respect of the individual, that is of an enduring nature and that is integral to the eligible dwelling.

(2) For the purposes of this section,

(a) a qualifying expenditure of an individual includes an outlay or expense made or incurred by a co-operative housing corporation, a condominium corporation (or, for civil law, a syndicate of co-owners) or a similar entity (in this paragraph referred to as the “corporation”), in respect of a property that is owned, administered or managed by that corporation, and that includes an eligible dwelling of the individual, to the extent of the individual's share of that outlay or expense, if

(i) the outlay or expense would be a qualifying expenditure of the corporation if the corporation were a natural person and the property were an eligible dwelling of that natural person, and

(ii) the corporation has notified the individual, in writing, of the individual's share of the outlay or expense; and

(b) a qualifying expenditure of an individual includes an outlay or expense made or in-

curred by a trust, in respect of a property owned by the trust that includes an eligible dwelling of the individual, to the extent of the share of that outlay or expense that is reasonably attributable to the individual, having regard to the amount of the outlays or expenses made or incurred in respect of the eligible dwelling of the individual (including, for this purpose, common areas relevant to more than one eligible dwelling), if

(i) the outlay or expense would be a qualifying expenditure of the trust if the trust were a natural person and the property were an eligible dwelling of that natural person, and

(ii) the trust has notified the individual, in writing, of the individual's share of the outlay or expense.

Home  
renovation tax  
credit

(3) For the purposes of computing the tax payable under this Part by an individual for the individual's 2009 taxation year, there may be deducted the amount determined by the formula

$$A \times (B - \$1,000)$$

where

A is the appropriate percentage for the taxation year; and

B is the lesser of \$10,000 and the total of all amounts, each of which is a qualifying expenditure of the individual.

Interaction with  
medical expense  
credit

(4) Notwithstanding paragraph 248(28)(b), an amount may be included in determining both an amount under subsection (3) and under section 118.2 if those amounts otherwise qualify to be included for the purposes of those provisions.

Apportionment  
of credit

(5) If more than one individual is entitled to a deduction under this section for a taxation year in respect of a qualifying expenditure of an individual, the total of all amounts so deductible shall not exceed the maximum amount that would be so deductible for the year by any one of those individuals in respect of the qualifying expenditure, if that individual were the only individual entitled to deduct an amount for the year under this section, and if the individuals cannot agree

## Definitions

“qualifying  
home”  
« habitation  
admissible »

as to what portion of the amount each can so deduct, the Minister may fix the portions.

**118.05** (1) The following definitions apply in this section.

“qualifying home” in respect of an individual, means a “qualifying home” as defined in subsection 146.01(1) that is acquired, whether jointly or otherwise, after January 27, 2009 if

(a) the home is acquired by the individual, or by the individual’s spouse or common-law partner, and

(i) the individual intends to inhabit the home as a principal place of residence not later than one year after its acquisition,

(ii) the individual did not own, whether jointly or otherwise, a home that was occupied by the individual in the period

(A) that began at the beginning of the fourth preceding calendar year that ended before the acquisition, and

(B) that ended on the day before the acquisition, and

(iii) the individual’s spouse or common-law partner did not, in the period referred to in subparagraph (ii), own, whether jointly or otherwise, a home

(A) that was inhabited by the individual during the marriage to or common-law partnership with the individual, or

(B) that was a share of the capital stock of a cooperative housing corporation that relates to a housing unit inhabited by the individual during the marriage to or common-law partnership with the individual; or

(b) the home is acquired by the individual for the benefit of a specified person in respect of the individual, and

(i) the individual intends that the home be inhabited by the specified person as a principal place of residence not later than one year after its acquisition by the individual, and

	<p>(ii) the purpose of the acquisition of the home by the individual is to enable the specified person to live in</p> <p>(A) a home that is more accessible by the specified person or in which the specified person is more mobile or functional, or</p> <p>(B) an environment better suited to the specified person's personal needs and care.</p>
<p>"specified person" « personne déterminée »</p>	<p>"specified person" in respect of an individual, at any time, means a person who</p> <p>(a) is the individual or is related at that time to the individual; and</p> <p>(b) would be entitled to a deduction under subsection 118.3(1) in computing tax payable under this Part for the person's taxation year that includes that time if that subsection were read without reference to paragraph (c) of that subsection.</p>
<p>Rules of application</p>	<p>(2) For the purposes of this section, an individual is considered to have acquired a qualifying home only if the individual's interest (or for civil law, right) in it is registered in accordance with the land registration system or other similar system applicable where it is located.</p>
<p>First-time home buyers' tax credit</p>	<p>(3) In computing the tax payable under this Part by an individual for a taxation year in which a qualifying home in respect of the individual is acquired, there may be deducted the amount determined by multiplying \$5,000 by the appropriate percentage for the taxation year.</p>
<p>Apportionment of credit</p>	<p>(4) If more than one individual is entitled to a deduction under this section for a taxation year in respect of a particular qualifying home, the total of all amounts so deductible shall not exceed the maximum amount that would be so deductible for the year by any one of those individuals in respect of the qualifying home, if that individual were the only individual entitled to deduct an amount for the year under this section, and if the individuals cannot agree as to what</p>

portion of the amount each can so deduct, the Minister may fix the portions.

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**5. (1) The portion of subsection 118.3(2) of the French version of the Act before paragraph (a) is replaced by the following:**

Personne  
déficiente à  
charge

(2) L'excédent du montant déductible en application du paragraphe (1) dans le calcul de l'impôt payable en vertu de la présente partie pour une année d'imposition par une personne (sauf une personne à l'égard de laquelle l'époux ou le conjoint de fait déduit un montant pour l'année en application des articles 118 ou 118.8) qui réside au Canada à un moment donné de l'année et qui a le droit de déduire un montant pour l'année en application du paragraphe (1) sur l'impôt payable par cette personne en vertu de la présente partie pour l'année calculé avant toute déduction en application de la présente section — à l'exception des articles 118 à 118.05 et 118.7 — est déductible dans le calcul de l'impôt payable par un particulier en vertu de la présente partie pour l'année dans le cas où :

**(2) Paragraph 118.3(2)(d) of the English version of the Act is replaced by the following:**

(d) the amount of that person's tax payable under this Part for the year computed before any deductions under this Division (other than under sections 118 to 118.05 and 118.7).

**(3) Subsections (1) and (2) apply to the 2009 and subsequent taxation years.**

**6. (1) The description of C in subsection 118.61(1) of the Act is replaced by the following:**

C is the lesser of the value of B and the amount that would be the individual's tax payable under this Part for the year if no amount were deductible under this Division (other than an amount deductible under this section and any of sections 118 to 118.05, 118.3 and 118.7);



**(2) Paragraph 118.61(2)(b) of the Act is replaced by the following:**

(b) the amount that would be the individual's tax payable under this Part for the year if no amount were deductible under this Division (other than an amount deductible under this section and any of sections 118 to 118.05, 118.3 and 118.7).

**(3) Subsections (1) and (2) apply to the 2009 and subsequent taxation years.**

**7. (1) Paragraph (a) of the description of C in section 118.8 of the Act is replaced by the following:**

(a) the amount that would be the spouse's or common-law partner's tax payable under this Part for the year if no amount were deductible under this Division (other than an amount deductible under subsection 118(1) because of paragraph (c) of the description of B in that subsection, under subsection 118(10) or under any of sections 118.01 to 118.05, 118.3, 118.61 and 118.7.

**(2) Subparagraph (b)(ii) of the description of C in section 118.8 of the Act is replaced by the following:**

(ii) the amount that would be the spouse's or common-law partner's tax payable under this Part for the year if no amount were deductible under this Division (other than an amount deductible under any of sections 118 to 118.05, 118.3, 118.61 and 118.7.

**(3) Subsections (1) and (2) apply to the 2009 and subsequent taxation years.**

**8. (1) The description of B in paragraph 118.81(a) of the Act is replaced by the following:**

B is the amount that would be the person's tax payable under this Part for the year if no amount were deductible under this Division (other than an amount deductible under any of sections 118 to 118.05, 118.3, 118.61 and 118.7), and

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**9. (1) Paragraph 118.91(b) of the Act is replaced by the following:**

- (b) the individual shall be allowed only
  - (i) such of the deductions permitted under subsections 118(3) and (10) and 118.6(2.1) and sections 118.01 to 118.2, 118.5, 118.6, 118.62 and 118.7 as can reasonably be considered wholly applicable to the period or periods in the year throughout which the individual is resident in Canada, computed as though that period or those periods were the whole taxation year, and
  - (ii) such part of the deductions permitted under sections 118 (other than subsections 118(3) and (10)), 118.3, 118.8 and 118.9 as can reasonably be considered applicable to the period or periods in the year throughout which the individual is resident in Canada, computed as though that period or those periods were the whole taxation year,

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**10. (1) Section 118.92 of the Act is replaced by the following:**

**118.92** In computing an individual's tax payable under this Part, the following provisions shall be applied in the following order: subsections 118(1) and (2), section 118.7, subsections 118(3) and (10) and sections 118.01, 118.02, 118.03, 118.04, 118.05, 118.3, 118.61, 118.5, 118.6, 118.9, 118.8, 118.2, 118.1, 118.62 and 121.

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**11. (1) Section 118.94 of the Act is replaced by the following:**

Ordering of  
credits

Tax payable by  
non-residents  
(credits  
restricted)

**118.94** Sections 118 to 118.05 and 118.2, subsections 118.3(2) and (3) and sections 118.6, 118.8 and 118.9 do not apply for the purpose of computing the tax payable under this Part for a taxation year by an individual who at no time in the year is resident in Canada unless all or substantially all of the individual's income for the year is included in computing the individual's taxable income earned in Canada for the year.

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**12. (1) Paragraphs 118.95(a) and (b) of the Act are replaced by the following:**

(a) such of the deductions as the individual is entitled to under any of subsections 118(3) and (10) and sections 118.01 to 118.2, 118.5, 118.6, 118.62 and 118.7, as can reasonably be considered wholly applicable to the taxation year, and

(b) such part of the deductions as the individual is entitled to under any of sections 118 (other than subsections 118(3) and (10)), 118.3, 118.8 and 118.9 as can reasonably be considered applicable to the taxation year,

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**13. (1) The descriptions of A and B in subsection 122.7(2) of the Act are replaced by the following:**

A is

(a) if the individual had neither an eligible spouse nor an eligible dependant, for the taxation year, the lesser of \$925 and 25% of the amount, if any, by which the individual's working income for the taxation year exceeds \$3,000, or

(b) if the individual had an eligible spouse or an eligible dependant, for the taxation year, the lesser of \$1,680 and 25% of the amount, if any, by which the total of the working incomes of the individual and, if applicable, of the eligible spouse, for the taxation year, exceeds \$3,000; and

B is

(a) if the individual had neither an eligible spouse nor an eligible dependant, for the taxation year, 15% of the amount, if any, by which the adjusted net income of the individual for the taxation year exceeds \$10,500, or

(b) if the individual had an eligible spouse or an eligible dependant, for the taxation year, 15% of the amount, if any, by which the total of the adjusted net incomes of the individual and, if applicable, of the eligible spouse, for the taxation year, exceeds \$14,500.

**(2) The descriptions of C and D in subsection 122.7(3) of the Act are replaced by the following:**

C is the lesser of \$462.50 and 25% of the amount, if any, by which the individual's working income for the taxation year exceeds \$1,150; and

D is

(a) if the individual had neither an eligible spouse nor an eligible dependant, for the taxation year, 15% of the amount, if any, by which the individual's adjusted net income for the taxation year exceeds \$16,667,

(b) if the individual had an eligible spouse for the taxation year who was not entitled to deduct an amount under subsection 118.3(1) for the taxation year, or had an eligible dependant for the taxation year, 15% of the amount, if any, by which the total of the adjusted net incomes of the individual and, if applicable, of the eligible spouse, for the taxation year, exceeds \$25,700, or

(c) if the individual had an eligible spouse for the taxation year who was entitled to deduct an amount under subsection 118.3(1) for the taxation year, 7.5% of the amount, if any, by which the total of the adjusted net incomes of the individual and of the eligible spouse, for the taxation year, exceeds \$25,700.

**(3) Subsections (1) and (2) apply to the 2009 and subsequent taxation years.**

**14. (1) Paragraph 127.531(a) of the Act is replaced by the following:**

(a) an amount deducted under subsection 118(1), (2) or (10) or 118.3(1) or any of sections 118.01 to 118.05 and 118.5 to 118.7 in computing the individual's tax payable for the year under this Part; or

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

**15. (1) Clause 128(2)(e)(iii)(A) of the Act is replaced by the following:**

(A) under any of sections 118 to 118.05, 118.2, 118.3, 118.5, 118.6, 118.8 and 118.9,

**(2) Subsection (1) applies to the 2009 and subsequent taxation years.**

C.R.C., c. 945

#### INCOME TAX REGULATIONS

**16. Section 7305 of the *Income Tax Regulations* is amended by striking out "and" at the end of paragraph (i) and by adding the following after paragraph (j):**

(k) the 2007 calendar year are

(i) in Ontario, the Cities of Hamilton, Kawartha Lakes and Toronto, the Counties of Brant, Bruce, Dufferin, Elgin, Essex, Frontenac, Grey, Haldimand, Hastings, Huron, Lambton, Lennox and Addington, Middlesex, Northumberland, Norfolk, Oxford, Perth, Peterborough, Prince Edward, Simcoe and Wellington, the Municipality of Chatham-Kent, the Regional Municipalities of Durham, Halton, Niagara, Peel, Waterloo and York, the Territorial Districts of Algoma, Manitoulin and Thunder Bay and the United Counties of Leeds and Grenville,

(ii) in British Columbia, the Regional Districts of Central Kootenay, East Kootenay, Kootenay Boundary and Okanagan-Similkameen,

(iii) in Saskatchewan, the Rural Municipalities of Arlington, Auvergne, Bengough, Big Stick, Bone Creek, Carmichael, Coulee, Excel, Excelsior, Frontier, Glen Bain, Glen McPherson, Grassy Creek, Gull Lake, Happy Valley, Hart Butte, Lac Pelletier, Lake of the Rivers, Lawtonia, Lone Tree, Mankota, Maple Creek, Miry Creek, Morse, Old Post, Piapot, Pinto Creek, Pittville, Poplar Valley, Reno, Riverside, Saskatchewan Landing, Stonehenge, Swift Current, Val Marie, Waverley, Webb, Whiska Creek, White Valley, Willow Bunch, Wise Creek and Wood River, and

(iv) in Alberta, the Counties of Cardston, Cypress, Forty Mile, Lethbridge and Warner, the Municipal Districts of Pincher Creek, Ranchland, Taber and Willow Creek and the Municipality of Crowsnest Pass;

(f) the 2008 calendar year are

(i) in Manitoba, the Municipality of Killarney-Turtle Mountain and the Rural Municipalities of Albert, Arthur, Brenda, Cameron, Edward, Glenwood, Morton, Pipestone, Riverside, Sifton, Whitewater and Winchester,

(ii) in British Columbia, the Regional Districts of Central Kootenay, East Kootenay, Kootenay Boundary and Peace River,

(iii) in Saskatchewan, the Rural Municipalities of Argyle, Arlington, Auvergne, Baildon, Bengough, Benson, Bone Creek, Bratt's Lake, Brokenshell, Browning, Caledonia, Cambria, Caron, Coalfields, Cymri, Elmsthorpe, Enniskillen, Estevan, Excel, Francis, Frontier, Glen Bain, Glen McPherson, Grassy Creek, Gravelbourg, Griffin, Hillsborough, Happy Valley, Hart Butte, Key West, Lac Pelletier, Lajord, Lake Alma, Lake Johnston, Lake of the Rivers, Laurier, Lomond, Lone Tree, Mankota, Marquis, Moose Creek, Moose Jaw, Mount Pleasant, Norton, Old Post, Pense, Pinto Creek, Poplar Valley, Redburn, Reciprocity, Rodgers, Scott, Shamrock, Sherwood, Souris Valley, Surprise Valley, Stonehenge, Storthoaks, Sutton, Tecumseh,



Terrell, The Gap, Val Marie, Waverley, Wellington, Weyburn, Whiska Creek, White Valley, Willow Bunch, Wise Creek and Wood River, and

(iv) in Alberta, the Counties of Birch Hills, Clear Hills, Grande Prairie and Saddle Hills and the Municipal Districts of Fairview and Spirit River; and

(m) the 2009 calendar year are

(i) in British Columbia, the Census Subdivisions Cariboo D, E, G and K, Central Kootenay A to E, G, H, J and K, Central Okanagan, Central Okanagan J, Columbia-Shuswap C to F, Kootenay Boundary B to E, North Okanagan B and D to F, Okanagan-Similkameen A to H, Spallumcheen, Squamish-Lillooet A to C and Thompson-Nicola E (Bonaparte Plateau), I (Blue Sky Country), J (Copper Desert Country), L, M, N, O (Lower North Thompson) and P (Rivers and the Peaks), as these subdivisions were developed by Statistics Canada for the 2006 Census,

(ii) in Saskatchewan, the Rural Municipalities of Antelope Park, Auvergne, Battle River, Biggar, Bone Creek, Britannia, Buffalo, Canaan, Chaplin, Chesterfield, Clingworth, Coteau, Coulee, Cut Knife, Deer Forks, Eagle Creek, Eldon, Enfield, Excelsior, Eye Hill, Fertile Valley, Glen Bain, Glen McPherson, Glenside, Grandview, Grass Lake, Grassy Creek, Gravelbourg, Happyland, Harris, Heart's Hill, Hillsdale, Kindersley, King George, Lacadena, Lac Pelletier, Lawtonia, Lone Tree, Loreburn, Manitou Lake, Mankota, Maple Bush, Mariposa, Marriott, Milden, Milton, Miry Creek, Monet, Montrose, Morse, Mountain View, Newcombe, Oakdale, Paynton, Perdue, Pinto Creek, Pittville, Pleasant Valley, Prairiedale, Progress, Reford, Riverside, Rosedale, Rosemount, Round Valley, Rudy, Saskatchewan Landing, Senlac, Shamrock, Snipe Lake, St. Andrews, Swift Current, Tramping Lake, Turtle River, Val Marie, Vanscoy, Victory, Waverley, Webb, Whiska Creek, Wilton, Winslow, Wise Creek and Wood River, and

(iii) in Alberta, the Cities of Calgary and Edmonton, the Counties of Athabasca, Barrhead, Beaver, Birch Hills, Brazeau, Camrose, Clear Hills, Clearwater, Flagstaff, Kneehill, Lac La Biche, Lacombe, Lac Ste. Anne, Lamont, Leduc, Minburn, Mountain View, Paintearth, Parkland, Ponoka, Red Deer, Rocky View, Smoky Lake, St. Paul, Starland, Stettler, Strathcona, Sturgeon, Thorhild, Two Hills, Vermilion River, Westlock, Wetaskiwin, Wheatland and Woodlands, Improvement District No. 13, the Municipal Districts of Acadia, Big Lakes, Bonnyville, Fairview, Greenview, Lesser Slave River, Northern Lights, Peace, Provost, Smoky River, Spirit River and Wainwright, Special Areas No. 2, 3 and 4 and the Town of Drumheller.

**17. (1) The Regulations are amended by adding the following after section 7305.01:**

**7305.02** (1) For the purposes of subsection 80.3(4) of the Act, the following regions are prescribed regions of flood or excessive moisture:

(a) in respect of the 2008 calendar year, in Manitoba,

(i) the rural municipalities of Alonsa, Armstrong, Bifrost, Coldwell, Dauphin, Eriksdale, Ethelbert, Fisher, Gimli, Glenella, Grahamdale, Lakeview, Lawrence, McCreary, Mossey River, Mountain South, Ochre River, Rockwood, Siglunes, St. Andrews, St. Laurent, Ste. Rose and Woodlands, and

(ii) any reserve that is contiguous to a rural municipality referred to in subparagraph (i), or that is part of a series of contiguous reserves one of which is contiguous to a rural municipality referred to in subparagraph (i), of the bands designated as Dauphin River, Ebb and Flow, Fisher River, Kinonjeoshtegon First Nation, Lake Manitoba First Nation, Lake St. Martin, Little Saskatchewan, O-Chi-Chak-Ko-Sipi First Nation, Peguis, Pinaymootang First Nation, Sandy Bay and Skownan First Nation; and

(b) in respect of the 2009 calendar year, in Manitoba, the rural municipalities of Armstrong, Bifrost, Fisher and Gimli.

(2) For the purpose of this section, “band” and “reserve” have the same meaning as assigned by the *Indian Act*.

**(2) Subsection (1) is deemed to have come into force on January 1, 2008.**

## PART 2

### CUSTOMS TARIFF

#### AMENDMENTS TO THE ACT

1997, c. 36

2009, c. 2, s. 122

**18. Paragraph 133(c) of the *Customs Tariff* is replaced by the following:**

(c) for the purposes of tariff item No. 9801.10.10, 9801.10.20, 9801.10.30, 9801.20.00, 9808.00.00 or 9810.00.00, prescribing conditions under which goods may be imported;

**19. The Description of Goods of tariff item No. 9801.10.10 in the List of Tariff Provisions set out in the schedule to the Act is amended by replacing the reference to “—Conveyances,” with a reference to “—Conveyances, not including trailers and semi-trailers of subheading 8716.31 or 8716.39,”.**

**20. The Description of Goods of tariff item No. 9801.10.20 in the List of Tariff Provisions set out in the schedule to the Act is amended by replacing**

(a) the reference to “30 days” with a reference to “365 days”; and

(b) the reference to “The containers provided for in this tariff item may engage in the transportation of goods from one point in Canada to another point in Canada where: (a) that transportation is incidental to the international traffic of the goods; (b) the transportation does not occur outside the territorial limits of Canada; and (c) the container has not entered Canada for the purpose of an in-transit movement through Canada to a point outside of Canada” with a reference to “The containers provided for

in this tariff item may engage in the transportation of goods from one point in Canada to another point in Canada where: (a) the transportation does not occur outside the territorial limits of Canada; and (b) the container has not entered Canada for the purpose of an in-transit movement through Canada to a point outside of Canada”.

21. The Description of Goods of tariff item No. 9897.00.00 in the List of Tariff Provisions set out in the schedule to the Act is amended by replacing the reference to “9801.10.20” with a reference to “9801.10.20, 9801.10.30”.

22. Chapter 98 of the List of Tariff Provisions set out in the schedule to the Act is amended by adding, in numerical order, the tariff provision set out in the schedule to this Act.

23. The Description of Goods of tariff item No. 9993.00.00 in the List of Tariff Provisions set out in the schedule to the Act is amended by replacing the reference to “9801.10.20” with a reference to “9801.10.20, 9801.10.30”.

#### COORDINATING AMENDMENTS

Bill C-23

24. (1) Subsections (2) and (3) apply if Bill C-23, introduced in the 2nd session of the 40th Parliament and entitled the *Canada-Colombia Free Trade Agreement Implementation Act* (referred to in this section as the “other Act”), receives royal assent.

(2) If subsection 48(1) of the other Act comes into force before section 22 of this Act, tariff item No. 9801.10.30 in the List of Tariff Provisions set out in the schedule to the *Customs Tariff* is amended by

(a) adding in the column “Preferential Tariff / Initial Rate”, above the reference to “GPT: Free”, a reference to “COLT: Free”; and

(b) adding in the column “Preferential Tariff / Final Rate”, above the reference to “GPT: Free (A)”, a reference to “COLT: Free (A)”.

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(3) If subsection 48(1) of the other Act comes into force on the same day as section 22 of this Act, then that section 22 is deemed to have come into force before that subsection 48(1).

SCHEDULE  
(Section 22)

Tariff Item	Description of Goods	Most-Favoured-Nation Tariff		Preferential Tariff	
		Initial Rate	Final Rate	Initial Rate	Final Rate
9801.10.30	<p>---Trailers and semi-trailers of subheading 8716.31 or 8716.39, on condition that they:</p> <p>(a) are registered and licensed in a foreign country and operated in Canada with a vehicle licence issued by the appropriate provincial licensing authority;</p> <p>(b) leave from and return to the foreign country in the normal course of operation;</p> <p>(c) are exported within 30 days of the date of their importation or for an additional period not exceeding 24 months where a customs officer is satisfied that the exportation of the trailers or semi-trailers is delayed because:</p> <p>(i) of adverse weather conditions;</p> <p>(ii) the trailers or semi-trailers are being equipped, reconditioned, reconstructed, refurbished or repaired;</p> <p>(iii) the trailers or semi-trailers have a major equipment breakdown;</p> <p>(iv) the trailers or semi-trailers are detained under an order of a Canadian court, or under an Act of Parliament or the legislature of a province or any regulation made thereunder; or</p> <p>(v) the delivery of the goods to be loaded on or in the trailer or semi-trailer is delayed.</p> <p>The trailers and semi-trailers provided for in this tariff item may engage in the transportation of goods from one point in Canada to another point in Canada where:</p> <p>(a) that transportation is incidental to the international traffic of the goods;</p> <p>(b) the transportation does not occur outside the territorial limits of Canada; and</p> <p>(c) the trailer or semi-trailer has not entered Canada for the purpose of an in-transit movement through Canada to a point outside of Canada</p>	Free	Free (A)	UST: Free MT: Free MUST: Free CT: Free CIAT: Free CRT: Free IT: Free NT: Free SLT: Free PT: Free GPT: Free LDCT: Free CCCT: Free AUT: N/A NZT: N/A	UST: Free (A) MT: Free (A) MUST: Free (A) CT: Free (A) CIAT: Free (A) CRT: Free (A) IT: Free (A) NT: Free (A) SLT: Free (A) PT: Free (A) GPT: Free (A) LDCT: Free (A) CCCT: Free (A) AUT: N/A NZT: N/A



**ANNEXE**  
**(article 22)**

Numéro tarifaire	Dénomination des marchandises	Tarif de la nation la plus favorisée		Tarif de préférence	
		Taux initial	Taux final	Taux initial	Taux final
9801.10.30	<p>—Remorques et semi-remorques des sous-positions 8716.31 ou 8716.39, à la condition qu'elles :</p> <p><i>a)</i> soient enregistrées et immatriculées dans un pays étranger et soient exploitées au Canada en vertu du permis approprié délivré par l'autorité provinciale compétente;</p> <p><i>b)</i> quittent le pays étranger et y retournent dans le cours normal de l'exploitation;</p> <p><i>c)</i> soient exportées dans les 30 jours suivant la date de leurs importations ou pour une période additionnelle n'excédant pas 24 mois, si un agent des douanes est satisfait que l'exportation des remorques ou semi-remorques est retardée pour l'une des raisons suivantes :</p> <p>i) des conditions atmosphériques défavorables;</p> <p>ii) l'équipement, la remise à neuf, la reconstruction, la rénovation ou la réparation des remorques ou semi-remorques;</p> <p>iii) une panne de matériel importante des remorques ou semi-remorques;</p> <p>iv) la retenue des remorques ou semi-remorques en vertu d'une ordonnance d'un tribunal canadien ou d'une loi fédérale ou provinciale ou d'un de leurs règlements d'application; ou</p> <p>v) un retard dans la livraison des marchandises devant être chargées dans ou sur les remorques ou semi-remorques.</p> <p>Les remorques et semi-remorques visées par le présent numéro tarifaire peuvent être utilisées pour le transport de marchandises d'un lieu à un autre au Canada si les conditions suivantes sont réunies :</p> <p><i>a)</i> le transport est accessoire au commerce international des marchandises;</p> <p><i>b)</i> le transport ne se fait pas hors des limites territoriales du Canada; et</p> <p><i>c)</i> la remorque ou semi-remorque n'entre pas au Canada à la seule fin de se rendre, via le Canada, à un lieu situé à l'extérieur du Canada</p>	En fr.	En fr. (A)	<p>TÉU : En fr.</p> <p>TM : En fr.</p> <p>TMÉU : En fr.</p> <p>TC : En fr.</p> <p>TACI : En fr.</p> <p>TCR : En fr.</p> <p>TI : En fr.</p> <p>TN : En fr.</p> <p>TSL : En fr.</p> <p>TP : En fr.</p> <p>TPG : En fr.</p> <p>TPMD : En fr.</p> <p>TPAC : En fr.</p> <p>TAU : S/O</p> <p>TNZ : S/O</p>	<p>TÉU : En fr. (A)</p> <p>TM : En fr. (A)</p> <p>TMÉU : En fr. (A)</p> <p>TC : En fr. (A)</p> <p>TACI : En fr. (A)</p> <p>TCR : En fr. (A)</p> <p>TI : En fr. (A)</p> <p>TN : En fr. (A)</p> <p>TSL : En fr. (A)</p> <p>TP : En fr. (A)</p> <p>TPG : En fr. (A)</p> <p>TPMD : En fr. (A)</p> <p>TPAC : En fr. (A)</p> <p>TAU : S/O</p> <p>TNZ : S/O</p>

















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